

MEMORANDUM FOR BUREAU BUDGET OFFICERS

FROM: **CARL L. MORAVITZ**
DEPARTMENTAL BUDGET DIRECTOR
OFFICE OF BUDGET

SUBJECT: FY 2001 Departmental Budget and Performance Planning Process

Introduction

This memorandum transmits the instructions for preparation of the FY 2001 Executive Budget submission. Provided as attachments are the appropriate exhibits for inclusion in the submission. The exhibits meet both the financial and performance plan requirements.

Treasury's FY 2001 budget and performance planning process builds on the significant Departmental experience already gained in identifying the relationship between resources and results. Under the balanced budget scenarios of the Administration and Congress, FY 2001 will remain very challenging, but our ability to tie resources to results will improve our communication about our programs' effectiveness to our internal and external stakeholders.

To the extent we continue improving on the budget and planning process within Treasury, we will also increase the opportunities to communicate our message. This was the intent of the Task Force on Reinventing the Treasury Budget Formulation Process, a representative body of budget and planning personnel that analyzed the existing process and proposed ways to streamline it. The report of the Task Force gave rise to several working groups that have designed "Executive Budget Presentation" templates for the FY 2001 process. This effort was meant to ensure that all policy, planning, and financial issues important to all of us can find a "home" in the Department's FY 2001 planning and budget process. We believe that the attached formulation guidance achieves that.

Departmental analysis will emphasize consideration of comprehensive strategic goals (or budget activities) when considering funding above current services. The traditional "single-issue" C-2 Exhibit is limited to one page of resource and performance information, the justification of which must be presented within the discussion section for one or more strategic goals. Budget activities, which are a "common denominator" for the Government Performance and Results Act (GPRA *or* "Results Act"), will also be given added emphasis as the presentation context for funding options. Details on capital investment proposals of any kind (i.e., information technology and its financial system subsets, real property and other major equipment), will be transmitted using the business case template that was piloted during the FY 2000 formulation cycle. All proposals will be considered within overall guidance from the Secretary, Deputy Secretary, or specifically delegated authority.

Both the Administration and Congress are increasing the stakes in the relationship of resources to results. Your representation of performance measures, and especially their connection to any resource augmentation you are proposing, will figure prominently in how your budget is discussed and evaluated. Our responsibility as a Department is to demonstrate to our stakeholders how all resources, both operational and investment, have a beneficial effect on services.

Submission Date: April 30, 1999

An important milestone for the coming year's budget process is the first week in September when our full budget and performance plans for all bureaus are due to OMB. We are looking to work on process improvements collectively to meet this critical date. In order for Bureau budgets to be submitted to OMB timely, while allowing for a more comprehensive Departmental process, it is essential that **all Bureau budget requests be submitted no later than Friday, April 30th.**

Treasury's budget examiner for your bureau will be available to provide you with assistance or answer any questions regarding these instructions. Thank you in advance for your hard work in producing a high quality, timely Executive Budget submission.

Looking Ahead to FY 2002

Treasury's commitment to the Results Act calls for continued refinements in our process and products to make them more responsive to our external stakeholders. The final attachment to this package is a core exhibit that we intend to introduce for FY 2002 budget formulation. It requires a more systematic treatment of funding increments in terms of their estimated results over a current services benchmark. Bureaus are encouraged to arrange working sessions with Treasury's Offices of Budget and Strategic Planning to explore application of this concept to their programs.

Attachments

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Bureau Chief Financial Officers

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